

TOP SECRET

DIARY NOTES

DD/S

27 September 1957

25X1X7

[Redacted]

25X1A9a

2. [ ] advised me that General Lewis, Director of Intelligence, Department of the Air Force, had telephoned him to say that he was the Air Force channel for the procurement of personnel for some project which Admiral Austin of the Joint Chiefs was organizing. I asked Gordon Stewart to call General Lewis and find out what this was all about. Gordon reported later that General Lewis didn't seem to know what it was all about, and I agreed to raise the matter at the Deputies' Meeting on Monday to try to get some further guidance.

25X1A9a

3. With Ed Saunders and [ ] spent some time at the Bureau of the Budget with Messrs. Macy, Perry, and Wilhelm discussing our apportionment request which the Bureau has been reluctant to sign off on because of our contemplated use of the Reserve. We reviewed our position and philosophy on this matter and pointed out that right now we had projects totaling \$11,750,000 which we believed should come from the Reserve. We pledged, of course, that we would try to absorb this amount but emphasized that we could make no such commitment at this stage in the Fiscal Year. We also pointed out that we felt it was good practice to be able to show to the Congress that projects came up which had to be financed out of the Reserve even though we might be able to absorb them in the latter part of the Fiscal Year. We then reviewed briefly the pro-

25X1A1a

[Redacted]

\*\*\*\*\*

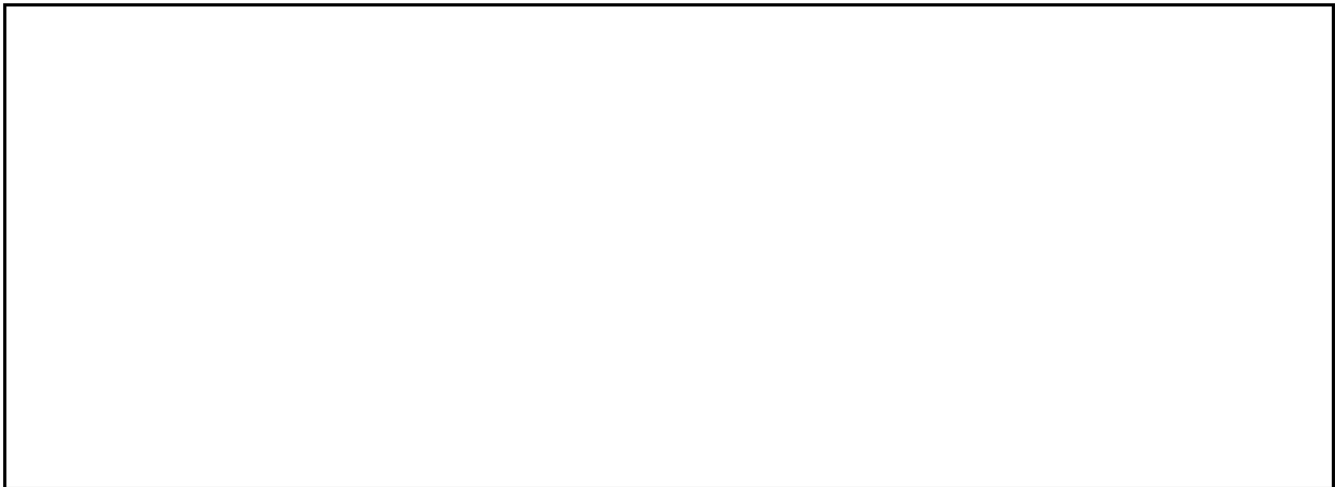
4. After this meeting Bob Macy advised us that Mr. Stans was the new Deputy Director of the Bureau and presumed that we would want to check his clearances. It was his understanding that Mr. Stans had a White House T/S clearance and a "Q" clearance. I said that we would be glad to brief Mr. Stans at his convenience.

TOP SECRET

TOP SECRET

25X1A6a I stayed on alone for a while with Bob, Hart, and Harry to discuss Bob's re-  
cent trip [redacted] Bob said that while [redacted] he had heard a large number 25X1A6a  
bitter complaints against CIA alleging that we lived and worked on a scale which other  
agencies simply could not afford and were, in fact, prohibited from reaching. He com-  
mented that he did not have the time to investigate these complaints but said that whe-  
ther or not they were accurate there was no question but that our reputation was wide-  
spread for living higher on the hog 25X1A9a  
facilities. In this connection he of-  
fered some illustrations: (a) That [redacted] an airconditioned Cadillac which  
everyone assumed was his official car. (Bill does have a Cadillac, but it is his private  
25X1A6a car.); (b) That he went to [redacted] where the people were adequately but not luxuriously  
25X1A housed and while there was told that there were four CIA men [redacted] living in a  
25X1C4a plush airconditioned house which obviously no one else could afford; (c) That he was  
25X1C4a told we had three people in a [redacted] which he understood we had also  
paid for. (Normal [redacted] occupancy of the equivalent space would be at least seven  
people.) He expressed his unhappiness that CIA was getting this reputation and felt  
that it was going to get back to the Congress and put us in trouble sooner or later if we  
didn't correct the situation. He also said that he thought agencies in Washington be-  
lieved that we were a soft touch and that this was due in part to some of our own people  
talking too freely about the special authorities which we had. He cited particularly an  
incident in which Bob Amory had allegedly volunteered that if the [redacted]  
could not provide a grade GS-18 for one of its [redacted] CIA would do so. In 25X1C4a  
fact, there is no doubt but that he thinks Bob talks entirely too much and too freely 25X1C4a  
about what CIA can and cannot do.

25X1C4a



He commented that he had seen the maintenance facilities at CAT and was 25X1A9a  
very favorably impressed with them, that he had had a good talk with [redacted]  
[redacted] and felt that for the first time the military was making its own war plans available  
25X1A6a to CIA and we were on the threshold of a break-through in this field which we should ex-  
plot to the fullest. He also confided in me that [redacted] implied that he was not 25X1A9a

TOP SECRET

~~TOP SECRET~~

25X1X3 receiving the backing from headquarters which he thought his project was entitled to. He said that in looking into things in the Far East he had the definite impression that if he were singling out something which we might spend a little more money on he would say that it should be to get more pictures through overflights. I told him of the [ ] Program and he was pleased to know that these planes would soon be in place. We discussed Project AQUATONE very briefly and I agreed to arrange for him to come over and see some pictures within the next couple of weeks.

25X1A6a

[ ]

25X1A9a

5. Talked to [ ] about his retirement and reached final agreement that he would be off the rolls by the end of October. (See Memorandum for the Record.)

25X1A9a

25X1A9a

6. [ ] buzzed to say that someone had telephoned Mr. Dulles at home about [ ]. I agreed to give the Director a memorandum on this subject.

25X1A9a

7. Jack also raised the question again of the promotion of [ ] to grade GS-16. I told him that I would have to take the position that competitively Frank was not the next man in the Administration Career Service to be promoted to that level but that if in view of his special relationship to the Director they wanted to give him a spot promotion with the distinct understanding that he would revert to grade GS-15 when he left that job I had no objection.

25X1A9a

25X1A9a

25X1A9a

8. [ ] briefed me on the case of [ ], a former Communications employee, who was picked up by the Federal Bureau of Investigation today. Mr. [ ] resigned from the Agency in September of this year at our request. He was reported to the FBI when he attempted to have pictures made of CIA credentials and building passes at the Crown Photo Company. We have reason to believe that he may have other documents in his possession. He will probably be prosecuted.

~~TOP SECRET~~